

Millennium Challenge Corporation

Reducing Poverty Through Growth



COUNTRY : GEORGIA

STATUS : IMPLEMENTATION, YEAR 1

LAST UPDATE : AUGUST 2006

GENERAL INFORMATION

Population	4,517,981*
GNI Per Capita	\$1350*
Location	Southwest Asia, bordering the Black Sea, between Turkey and Russia
Total Compact Amount	\$295.3 Million
Compact Duration	5 Years

MIKHEIL SAKASHVILI

President of Georgia

"I think it's [MCC] really one of the most efficient tools of help I'd ever seen and I've seen many assistance programs in my country for the last decade."

COMPACT GOAL

- Rehabilitate key regional infrastructure by improving transportation for regional trade, ensuring a reliable supply of energy, and improving the delivery of regional and municipal services
- Develop regional enterprises by funding investment and increasing productivity in farms, agribusinesses and other enterprises to increase jobs and rural income

EXPECTED RESULTS

The Program will benefit nearly half a million Georgians and could have an effect on the lives of a quarter of the population. The Program is also expected to reduce the incidence of poverty in the Samtskhe-Javakheti region by 12 percent. Other benefits include an expected increase of about \$37 million in annual income to households and \$27 million in business revenue nationwide through support for farmers, agribusiness and small and medium enterprises.

COMPACT PROCESS

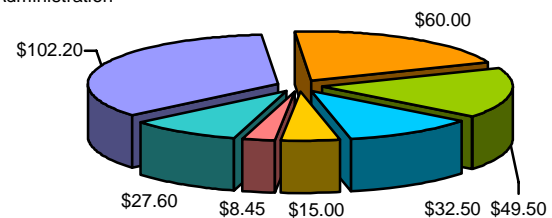
DATE

Eligibility Notification	<input checked="" type="checkbox"/>	May 6, 2004
Proposal Receipt	<input checked="" type="checkbox"/>	September 24, 2004
Opportunity Memo	<input checked="" type="checkbox"/>	October 28, 2004
Congressional Notification on Formal Negotiations	<input checked="" type="checkbox"/>	November 3, 2004
Investment Memo	<input checked="" type="checkbox"/>	July 7, 2005
Board Approval	<input checked="" type="checkbox"/>	August 16, 2005
Compact Signing	<input checked="" type="checkbox"/>	September 12, 2005
Entry into Force	<input checked="" type="checkbox"/>	April 7, 2006
Initial Disbursement	<input checked="" type="checkbox"/>	April 28, 2006

GEORGIA OBLIGATIONS BY KEY SECTORS

(IN MILLIONS)

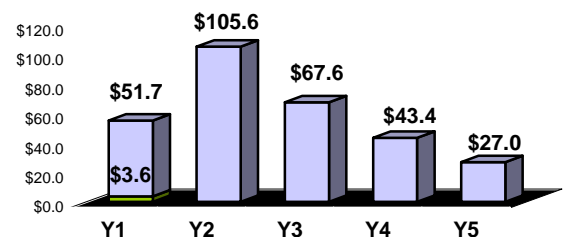
- Road Rehabilitation
- Energy Sector Rehabilitation
- Agribusiness Development Activity
- Administration
- Regional Infrastructure Development
- Georgia Regional Development Fund
- Monitoring & Evaluation



GEORGIA DISBURSEMENT SCHEDULE

(IN MILLIONS)

- Projected Total Annual Disbursement
- Total Disbursement to Date



UPDATE ON PROGRESS

- MCA-Georgia has been established as a legal entity and currently has 26 qualified professional staff, along with a Supervisory Board and a Stakeholders Committee of civil society representatives.
- A pre-feasibility study and right of way survey have already been completed for the Samtskhe-Javakheti Road, and a team of experts has begun work on a full feasibility study, environmental impact assessment and final design. An outside project manager for the Agribusiness Development Activity was selected in May, 2006, and the project was officially launched on August 3, 2006. Procurements related to pipeline repairs continue to move forward.
- Georgia received its first disbursement in the amount of \$3.6 million on April 28, 2006.

*World Development Indicators, World Bank, 2005